

Committee on Ways and Means

U.S.-Morocco FTA: Good for Textiles

- The U.S.—Morocco Free Trade Agreement contains the yarn-forward rule of origin that has become standard for U.S. free trade agreements, meaning that the yarn and fabric used in apparel qualifying for benefits must come from the United States or Morocco.
- The Agreement contains a limited exception that would allow Morocco to ship up to 30 million square meter equivalents of textiles and apparel that do not meet the yarn forward rule of origin. This exception is phased out over 10 years.
- The exception covers less than one-tenth of one percent of U.S. textile imports by volume.
- Certain members of the U.S. textile industry have opposed the agreement because they oppose any exceptions to the yarn forward rule. From a practical perspective, the volume of trade covered by this limited exception is too small to harm the domestic industry.
- The Agreement also contains a special textile and apparel safeguard mechanism that allows the United States to increase duties on textile or apparel items that are being imported in such quantities to cause serious damage to the domestic industry. This mechanism backstops the exception to make sure that the U.S. industry is not harmed.